

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

TECHNICAL EDUCATION - Construction of Buildings for Government Polytechnic for Women, Palamaner, Chittoor District through the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad - Release of Award amount of Rs.72,21,863/- to M/s.Padmavathi Constructions, Tirupati - Sanction - Orders - Issued.

HIGHER EDUCATION (TE.I) DEPARTMENT

G.O.Rt.No. 55

Dated 23 -1-2009.
Read The following:-

1. G.O.Ms.No.70, Education (TE.I) Department, dated 12-3-1992.
2. From the CTE.,AP.,Hyderabad, Lr.No.K.3/24258/2007, dated 25-1-2008 and 7-8-2008.

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ORDER :-

In the reference 2nd read above, the Commissioner of Technical Education, AP., Hyderabad has stated that in the G.O. 1st read above, Government have issued orders that all the Civil works included in the World Bank assisted Projects on strengthening of Technical Education, be entrusted to Andhra Pradesh Industrial Infrastructure Corporation Limited and Roads & Buildings Department in the interest of early execution and maintenance of quality. It was further ordered that the works which are to be constructed at new sites where there are no existing buildings, be entrusted to the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad and allowed 14% Centage value and to be included in the Estimate. The works entrusted to the Andhra Pradesh Industrial Infrastructure Corporation Limited, Hyderabad in the said G.O. includes the construction of Buildings for Government Polytechnic for Women, Palamaner, Chittoor District. The estimated value of the said works is Rs.123.52 lakhs. The Vice Chairman & Managing Director, the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad has accorded administrative sanction for Rs.231 lakhs vide AS. Procs. No.11/Ads/XCE/APIIC/93-94/325, dated 30-4-1994. The site was handed over to M/s.Padmavathi Constructions on 10-9-1994 with due date for completion of the works as 9-9-1995. The Chief Engineer, Andhra Pradesh Industrial Infrastructure Corporation Limited, Hyderabad had entered into L.S. Agreement No.10/94-95, dated 30.7.1994 with M/s.Padmavathi Constructions, Tirupati with certain terms & Conditions, for a contract value of Rs.1,90,74,948/- and this value is 20.36% excess over the estimated value of the said work.

2. The Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad (APIIC) has terminated the Agreement under Clause 30(1) of Section (Special Conditions) vide Notice dated 4-9-1995 before the expiry of agreement period. The Special Conditions include non-receipt of funds in time from the Technical Education Department. The disputes and differences arose between the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad and M/s.Padmavathi Constructions as a result of termination of the Agreement and the claims of the contractor were not considered by the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad such as release of Bank Guarantee, Performance Bond and retention of amounts by the Andhra Pradesh Industrial Infrastructure Corporation Limited, Hyderabad etc.

3. M/s. Padmavathi Constructions, Tirupati has approached the Hon'ble Court and the Division Bench of High Court appointed Justice K. Punnayya, a retired Judge of High Court as Sole Arbitrator by its order dated 26-7-1996 in W.A.No.836 of 1996, to arbitrate the claims preferred by M/s.Padmavathi Constructions. The Sole Arbitrator passed an award for Rs.39,90,749.50 with interest thereon @ 21% ie., for the pre-reference, Pending and post award periods. Later on, O.P. No.161, of 1998 on the file of the II Addl. Chief Judge, City Civil Court, Hyderabad was filed by the Andhra Pradesh Industrial

Infrastructure Corporation Ltd., Hyderabad to set aside the award of the Sole Arbitrator but the same was dismissed by the City Civil Court in its orders dated 13-11-2006. This judgment of the City Civil Court has become final.

4. The Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad has informed that there upon it has negotiated with M/s.Padmavathi Constructions on 19-11-2006 and the contractor has agreed for an out of Court settlement and requested for payment of not less than of Rs.75.00 lakhs for settlement of the claim preferred by them. The Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad has requested to convey the concurrence for settlement and payment of the claim of Rs.72,21,863/- (which includes interest @ 16% calculation upto 31-12-2007) to M/s. Padmavathi Constructions, Tirupati.

5. The Commissioner of Technical Education, AP., Hyderabad has further submitted that the construction of Polytechnic Buildings was completed on 31.7.1998 and the buildings were handed over to the Principal, Government Polytechnic, Palamaner on 26-11-1998. The Commissioner of Technical Education, Hyderabad has therefore requested the Government to examine and issue necessary orders for settlement of the claims amounting to Rs.72,21,863/- of M/s. Padmavathi Constructions, Tirupati and also to accord permission to the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad to make payment to the contractor by utilizing the balance funds pertaining to the project available with the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad.

6. Government after careful examination have accepted the proposal of the Commissioner of Technical Education, Hyderabad and hereby accord permission to the Commissioner of Technical Education, Hyderabad to convey the concurrence to the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad for settlement of the claims amounting to Rs.72,21,863/- (Rupees Seventy two lakhs twenty one thousand and eight hundred and sixty three only) of M/s. Padmavathi Constructions, Tirupati. The Commissioner of Technical Education, AP., Hyderabad is also permitted to permit the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad to make the above payment to the contractor by utilizing the balance funds pertaining to the project available with the Andhra Pradesh Industrial Infrastructure Corporation Ltd., Hyderabad immediately.

7. The Commissioner of Technical Education, AP., Hyderabad shall take necessary action in the matter accordingly.

8. This order issues with the concurrence of Finance (Exp.HE) Department, vide their U.O.No.32514/561/Exp.HE/2008, dated 12-12-2008.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G. SUDHIR,
PRINCIPAL SECRETARY TO GOVERNMENT (I/C)

To

The Commissioner of Technical Education, AP., Hyderabad.

The A.P. Industrial Infrastructure Corporation Ltd.,

Hyderabad through CTE., Hyderabad

M/s. Padmvathi Construction, Bairagipatteda, Tirupati - 517 501.

Copy to the Finance (Exp.HE) Department.

“ The Law Department.

“ The P.S. to Prl. Secretary to Govt. HE. Deptt.

“ The Spl. Secy. to C.M.

Sf/sc.

//FORWARDED:: BY ORDER//

SECTION OFFICER.